UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 25, 2023

RTX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	001-00812	06-0570975
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1000 Wilson Boulevard, Arlington, Virginia 22209

(Address of principal executive offices, including zip code)

(781) 522-3000

(Registrant's telephone number, including area code)

Raytheon Technologies Corporation

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock ($1 par value) (CUSIP 75513E 101)	**RTX**	**New York Stock Exchange**
2.150% Notes due 2030 (CUSIP 75513E AB7)	**RTX 30**	**New York Stock Exchange**

Section 2—Financial Information

Item 2.02. Results of Operations and Financial Condition.

On July 25, 2023, RTX Corporation (the "Company") issued a press release announcing its second quarter 2023 results.

The press release issued July 25, 2023 is furnished herewith as Exhibit No. 99.1 to this Report, and shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section and shall not be deemed to be incorporated by reference into any filing by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Section 7—Regulation FD

Item 7.01. Regulation FD Disclosure.

The information contained in this Current Report on Form 8-K that is furnished under this Item 7.01, including the accompanying Exhibit 99.2, is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section. The information contained in this Current Report on Form 8-K that is furnished under this Item 7.01, including the accompanying Exhibit 99.2, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, except as shall be expressly set forth by specific reference in such a filing.

Segment Realignment

Since April 3, 2020, in conjunction with the completion of the Raytheon merger, the Company has classified and reported its operations through four principal segments: Collins Aerospace ("Collins"), Pratt & Whitney, Raytheon Intelligence & Space ("RIS") and Raytheon Missiles & Defense ("RMD"). Effective July 1, 2023, the Company streamlined the structure of its core businesses into three principal business segments: Collins Aerospace, Pratt & Whitney and Raytheon. The changes require the Company to revise its segment reporting.

Supplemental Information

The Company is providing Exhibit 99.2 to this Current Report on Form 8-K as supplemental information. The unaudited historical segment information reflects the new segment reporting. RTX did not operate under this segment structure for segment reporting purposes or use this measure of segment operating performance in the second quarter or six months ended June 30, 2023 or prior periods and will begin to report comparative results under this basis with the filing of its Quarterly Report on Form 10-Q for the quarter and nine months ending September 30, 2023. Until the Company's interim financial statements as of and for the quarter and nine months ending September 30, 2023 are issued, amounts on this new basis are not in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") and, as a result, are considered non-GAAP measures. RTX is furnishing this information as it believes it is useful to investors to aid in understanding, on a timely basis, the impacts of these changes on historical periods as they prepare to consider the Company's future results on the updated basis. The information in this Current Report on Form 8-K, including Exhibit 99.2, should be read in conjunction with the Company's Annual Report on Form 10-K for fiscal year 2022 and the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2023.

Section 9—Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Exhibit Description
99.1	Press release, dated July 25, 2023, issued by RTX Corporation.
99.2	Unaudited historical financial information.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RTX CORPORATION
(Registrant)

Date: July 25, 2023	By: /s/ NEIL G. MITCHILL JR.
	Neil G. Mitchill Jr.
	Executive Vice President and Chief Financial Officer

Exhibit 99.1

Media Contact
202.384.2474

Investor Contact
781.522.5123

RTX Reports Q2 2023 Results

RTX sales up 12 percent on growth across all segments; Guides higher on 2023 sales, tightens adjusted EPS* outlook and revises cash outlook; Agreement reached to divest Collins' actuation and flight control business

ARLINGTON, Va., July 25, 2023 – RTX (NYSE: RTX) reported second quarter 2023 results.

Second quarter 2023

- Sales of $18.3 billion, up 12 percent versus prior year including 13 percent organic growth*
- GAAP EPS from continuing operations of $0.90, up 2 percent versus prior year, which included $0.39 of acquisition accounting adjustments and net significant and/or non-recurring charges
- Adjusted EPS* of $1.29, up 11 percent versus prior year
- Operating cash flow from continuing operations of $719 million; Free cash flow* of $193 million
- Company backlog of $185 billion; including $73 billion of defense and $112 billion of commercial
- Realized $70 million of incremental RTX gross cost synergies; achieving previous $1.5 billion target
- Repurchased $596 million of RTX shares

Updates outlook for full year 2023

- Sales of $73.0 - $74.0 billion, up from $72.0 - $73.0 billion
- Adjusted EPS* of $4.95 - $5.05, up from $4.90 - $5.05
- Free cash flow* of approximately $4.3 billion, down from approximately $4.8 billion
- Confirms share repurchase of $3.0 billion of RTX shares

"Accelerating demand in global commercial aerospace and strong defense spending allowed us to deliver 12 percent sales growth and increased operating profit year-over-year, with top-line growth across all RTX business units," said RTX Chairman and CEO Greg Hayes. "Based on the strong performance year-to-date and strong end-markets, we are raising our full year sales outlook and tightening our adjusted EPS* outlook. However, we are lowering our free cash flow* outlook to reflect the impact of an issue that has recently come to light, which will require Pratt & Whitney to remove certain engines from service for inspection earlier than expected. The continued safe operation of our fleet will always remain our number one priority."

Second quarter 2023

RTX reported second quarter sales of $18.3 billion, up 12 percent over the prior year. GAAP EPS from continuing operations of $0.90 was up 2 percent versus the prior year and included $0.39 of acquisition accounting adjustments and net significant and/or non-recurring charges. This included $0.26 of acquisition accounting adjustments, an $0.08 charge related to an airline customer insolvency, $0.04 of restructuring and $0.01

*Adjusted net sales, organic sales, adjusted operating profit (loss) and margin, adjusted segment operating profit (loss) and margin, adjusted net income, adjusted earnings per share ("EPS") and free cash flow are non-GAAP financial measures. When we provide our expectation for adjusted EPS and free cash flow on a forward-looking basis, a reconciliation of these non-GAAP financial measures to the corresponding GAAP measures (expected diluted EPS from continuing operations and expected cash flow from operations) is not available without unreasonable effort due to the unavailability of items for exclusion from the GAAP measure (such as unusual gains and losses, the ultimate outcome of pending litigation, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures and other structural changes). We are unable to address the probable significance of this information, the variability of which may have a significant impact on future GAAP results. See "Use and Definitions of Non-GAAP Financial Measures" below for information regarding non-GAAP financial measures.

related to segment and portfolio transformation costs. Adjusted EPS* of $1.29 was up 11 percent versus the prior year.

The company recorded net income from continuing operations attributable to common shareowners in the second quarter of $1.3 billion, up 2 percent versus the prior year, which included $568 million of acquisition accounting adjustments and net significant and/or non-recurring charges. Adjusted net income* was $1.9 billion, up 10 percent versus prior year. Operating cash flow from continuing operations in the second quarter was $719 million. Capital expenditures were $526 million, resulting in free cash flow* of $193 million.

Pratt & Whitney Fleet Update

Unrelated to the company's second quarter earnings results, Pratt & Whitney has determined that a rare condition in powdered metal used to manufacture certain engine parts will require accelerated fleet inspection. This does not impact engines currently being produced.

As a result, the business anticipates that a significant portion of the PW1100G-JM engine fleet, which powers the A320neo, will require accelerated removals and inspections within the next nine to twelve months, including approximately 200 accelerated removals by mid-September of this year. The business is working to minimize operational impacts and support its customers. Management will provide additional detail on this matter during the earnings call.

Summary Financial Results – Continuing Operations Attributable to Common Shareowners

	2nd Quarter		
($ in millions, except EPS)	**2023**	**2022**	**% Change**
Reported			
Sales	$ 18,315	$ 16,314	12 %
Net Income	$ 1,327	$ 1,304	2 %
EPS	$ 0.90	$ 0.88	2 %
*Adjusted**			
Sales	$ 18,315	$ 16,314	12 %
Net Income	$ 1,895	$ 1,722	10 %
EPS	$ 1.29	$ 1.16	11 %
Operating Cash Flow from Continuing Operations	$ 719	$ 1,286	(44)%
Free Cash Flow*	$ 193	$ 807	(76)%

Backlog and Bookings

Backlog at the end of the second quarter was $185 billion, of which $112 billion was from commercial aerospace and $73 billion was from defense.

Notable defense bookings during the quarter included:

- $2.0 billion for F135 production at Pratt & Whitney
- $1.5 billion for F117 sustainment at Pratt & Whitney
- $1.2 billion for AMRAAM production at Raytheon Missiles & Defense (RMD)
- $1.1 billion of classified bookings at Raytheon Intelligence & Space (RIS)

- $322 million for a diverse set of cyber defense services for federal and civil customers at RIS
- $294 million of classified bookings at RMD
- $265 million for Javelin production at RMD
- $251 million for AIM-9X production at RMD
- $237 million for CLEAVAR counter UAS production at RMD

Segment Results

The company's reportable segments are Collins Aerospace, Pratt & Whitney, Raytheon Intelligence & Space (RIS), and Raytheon Missiles & Defense (RMD). Future quarters will reflect the business unit realignment.

Collins Aerospace

	2nd Quarter		
($ in millions)	**2023**	**2022**	**% Change**
Reported			
Sales	$ 5,850	$ 5,011	17 %
Operating Profit	$ 821	$ 546	50 %
ROS	14.0 %	10.9 %	310 bps
*Adjusted**			
Sales	$ 5,850	$ 5,011	17 %
Operating Profit	$ 837	$ 617	36 %
ROS	14.3 %	12.3 %	200 bps

Collins Aerospace had second quarter 2023 sales of $5,850 million, up 17 percent versus the prior year. The increase in sales was driven by a 29 percent increase in commercial aftermarket, a 14 percent increase in commercial OE, and a 5 percent increase in military. The increase in commercial sales was driven primarily by strong demand across commercial aerospace end markets, which resulted in higher flight hours and higher OE production rates. The increase in military sales was driven primarily by higher development volume.

Collins Aerospace recorded operating profit of $821 million, up 50 percent versus the prior year. The increase in operating profit was primarily driven by higher sales volume and favorable mix, partially offset by higher production costs, as well as higher R&D and SG&A expenses. On an adjusted basis, operating profit* of $837 million was up 36 percent versus the prior year. Q2 2022 included a charge of $69 million associated with the disposition of two non-core businesses.

Pratt & Whitney

($ in millions)	2nd Quarter 2023	2022	% Change
Reported			
Sales	$ 5,701	$ 4,969	15 %
Operating Profit	$ 230	$ 302	(24)%
ROS	4.0 %	6.1 %	(210) bps
*Adjusted**			
Sales	$ 5,701	$ 4,969	15 %
Operating Profit	$ 436	$ 303	44 %
ROS	7.6 %	6.1 %	150 bps

Pratt & Whitney had second quarter 2023 sales of $5,701 million, up 15 percent versus the prior year. The increase in sales was driven by a 26 percent increase in commercial aftermarket and a 22 percent increase in commercial OE, which was partially offset by a 3 percent decrease in military sales. The increase in commercial sales was primarily due to higher shop visit volume and content, as well as higher engine deliveries and favorable mix across both Large Commercial Engines and Pratt & Whitney Canada. The decline in military sales was driven by the absence of the benefit of an F135 production contract award in Q2 2022, which was partially offset by higher F135 sustainment volume in Q2 2023.

Pratt & Whitney recorded operating profit of $230 million, down 24 percent versus the prior year. Q2 2023 operating profit included the impact of a charge related to a customer insolvency of $181 million. Excluding the impact of the customer insolvency, and other significant and/or non-recurring items, Pratt & Whitney recorded adjusted operating profit* of $436 million in the second quarter of 2023, up 44 percent versus the prior year. The increase in operating profit was primarily driven by drop through on higher commercial aftermarket sales and favorable large commercial OE mix, which partially offset higher production costs and higher R&D expenses.

Raytheon Intelligence & Space

($ in millions)	2nd Quarter 2023	2022	% Change
Reported			
Sales	$ 3,655	$ 3,570	2 %
Operating Profit	$ 291	$ 315	(8)%
ROS	8.0 %	8.8 %	(80) bps
*Adjusted**			
Sales	$ 3,655	$ 3,570	2 %
Operating Profit	$ 297	$ 315	(6)%
ROS	8.1 %	8.8 %	(70) bps

RIS had second quarter 2023 sales of $3,655 million, up 2 percent versus the prior year driven by higher sales from Sensing and Effects and Cyber and Services programs, which was partially offset by lower sales from Command, Control and Communications programs.

RIS recorded operating profit of $291 million, down 8 percent versus the prior year. The decrease in operating profit was driven by unfavorable mix and higher operating expenses, which more than offset improved productivity and drop through on higher volume. On an adjusted basis, operating profit* was down 6 percent versus the prior year.

Raytheon Missiles & Defense

($ in millions)	2nd Quarter 2023	2022	% Change
Reported			
Sales	$ 4,000	$ 3,558	12 %
Operating Profit	$ 415	$ 348	19 %
ROS	10.4 %	9.8 %	60 bps
*Adjusted**			
Sales	$ 4,000	$ 3,558	12 %
Operating Profit	$ 427	$ 348	23 %
ROS	10.7 %	9.8 %	90 bps

RMD had second quarter 2023 sales of $4,000 million, up 12 percent versus prior year. The increase in sales was primarily driven by higher volume in Air Power, Advanced Technology and Land Warfare & Air Defense programs.

RMD recorded operating profit of $415 million, up 19 percent versus the prior year. The increase in operating profit was driven by favorable net program efficiencies and drop through on higher volume, which was partially offset by unfavorable mix resulting from early stage production programs. RMD recorded adjusted operating profit* of $427 million, up 23 percent versus the prior year.

About RTX

RTX is the world's largest aerospace and defense company. With more than 180,000 global employees, we push the limits of technology and science to redefine how we connect and protect our world. Through industry-leading businesses – Collins Aerospace, Pratt & Whitney, and Raytheon – we are advancing aviation, engineering integrated defense systems for operational success, and developing next-generation technology solutions and manufacturing to help global customers address their most critical challenges. The company, with 2022 sales of $67 billion, is headquartered in Arlington, Virginia.

Conference Call on the Second Quarter 2023 Financial Results

RTX’s financial results conference call will be held on Tuesday, July 25, 2023 at 8:30 a.m. ET. The conference call will be webcast live on the company's website at www.rtx.com and will be available for replay following the call. The corresponding presentation slides will be available for downloading prior to the call.

Use and Definitions of Non-GAAP Financial Measures

RTX Corporation (“RTX” or “the Company”) reports its financial results in accordance with accounting principles generally accepted in the United States (“GAAP”).

We supplement the reporting of our financial information determined under GAAP with certain non-GAAP financial information. The non-GAAP information presented provides investors with additional useful information, but should not be considered in isolation or as substitutes for the related GAAP measures. Moreover, other companies may define non-GAAP measures differently, which limits the usefulness of these measures for comparisons with such other companies. We encourage investors to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

Adjusted net sales, organic sales, adjusted operating profit (loss) and margin, adjusted segment operating profit (loss) and margin, adjusted net income, adjusted earnings per share (“EPS”), and free cash flow are non-GAAP financial measures. Adjusted net sales represents consolidated net sales (a GAAP measure), excluding significant nonoperational items and/or significant operational items that may occur at irregular intervals (hereinafter referred to as “net significant and/or non-recurring items”). Organic sales represents the change in consolidated net sales (a GAAP measure), excluding the impact of foreign currency translation, acquisitions and divestitures completed in the preceding twelve months and net significant and/or non-recurring items. Adjusted operating profit (loss) represents operating profit (loss) (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. Adjusted operating profit margin represents adjusted operating profit (loss) as a percentage of adjusted net sales. Adjusted segment operating profit (loss) represents the combined operating profit (loss) (a GAAP measure) of our business segments, excluding restructuring costs, and net significant and/or non-recurring items. Adjusted segment operating profit margin represents adjusted segment operating profit (loss) as a percentage of adjusted segment sales (the combined adjusted sales of our business segments). Acquisition accounting adjustments include the amortization of acquired intangible assets related to acquisitions, the amortization of the property, plant and equipment fair value adjustment acquired through acquisitions, the amortization of customer contractual obligations related to loss making or below market contracts acquired, and goodwill impairment.

Adjusted net income represents net income from continuing operations (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. Adjusted EPS represents diluted earnings per share from continuing operations (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. For the business segments, when applicable, adjustments of net sales similarly reflect continuing operations (a GAAP measure) excluding net significant and/or non-recurring items. Organic sales for the business segments similarly excludes the impact of foreign currency, acquisitions and divestitures, and net significant and/or non-recurring items, and adjustments of operating profit (loss) and operating profit margins (also referred to as return on sales (“ROS”)) similarly reflect continuing operations, excluding restructuring, acquisition accounting adjustments and net significant and/or non-recurring items.

Free cash flow is a non-GAAP financial measure that represents cash flow from operations (a GAAP measure) less capital expenditures. Management believes free cash flow is a useful measure of liquidity and an additional basis for assessing RTX’s ability to fund its activities, including the financing of acquisitions, debt service, repurchases of RTX’s common stock and distribution of earnings to shareowners.

A reconciliation of the non-GAAP measures to the corresponding amounts prepared in accordance with GAAP appears in the tables in this Appendix. The tables provide additional information as to the items and amounts that have been excluded from the adjusted measures.

When we provide our expectation for adjusted net sales, organic sales, adjusted operating profit (loss) and margin, adjusted segment operating profit margin, adjusted EPS and free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures, as described above, generally is not available without unreasonable effort due to potentially high variability, complexity, and low visibility as to the items that would be excluded from the GAAP measure in the relevant future period, such as unusual gains and losses, the ultimate outcome of pending litigation, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures, and other structural changes or their probable significance. The variability of the excluded items may have a significant, and potentially unpredictable, impact on our future GAAP results.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains statements which, to the extent they are not statements of historical or present fact, constitute “forward-looking statements” under the securities laws. From time to time, oral or written forward- looking statements may also be included in other information released to the public. These forward-looking statements are intended to provide RTX Corporation (“RTX”) management’s current expectations or plans for our future operating and financial performance, based on assumptions currently believed to be valid and are not statements of historical fact. Forward-looking statements can be identified by the use of words such as “believe,” “expect,” “expectations,” “plans,” “strategy,” “prospects,” “estimate,” “project,” “target,” “anticipate,” “will,” “should,” “see,” “guidance,” “outlook,” “goals,” “objectives,” “confident,” “on track,” “designed to” and other words of similar meaning. Forward- looking statements may include, among other things, statements relating to future sales, earnings, cash flow, results of operations, uses of cash, share repurchases, tax payments and rates, research and development spending, cost savings, other measures of financial performance, potential future plans, strategies or transactions, credit ratings and net indebtedness, other anticipated benefits to RTX of its segment realignment, the merger (the “merger”) between United Technologies Corporation (“UTC”) and Raytheon Company (“Raytheon”) or the spin-offs by UTC of Otis Worldwide Corporation and Carrier Global Corporation into separate independent companies (the “separation transactions”) in 2020, or the UTC acquisition of Rockwell Collins in 2018, and other statements that are not solely historical facts. All forward-looking statements involve risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For those statements, we claim the protection of the safe harbor for forward- looking statements contained in the U.S. Private Securities Litigation Reform Act of1995. Such risks, uncertainties and other factors include, without limitation: (1) the effect of changes in economic, capital market and political conditions in the U.S. and globally, such as from the global sanctions and export controls with respect to Russia, and any changes therein, including related to financial market conditions, bank failures and other banking industry disruptions, fluctuations in commodity prices or supply (including energy supply), inflation, interest rates and foreign currency exchange rates, disruptions in global supply chain and labor markets, and geopolitical risks; (2) risks associated with U.S. government sales, including changes or shifts in defense spending due to budgetary constraints, spending cuts resulting from sequestration, a continuing resolution, a government shutdown, the debt ceiling or measures taken to avoid default, or otherwise, and uncertain funding of programs; (3) challenges in the development, production, delivery, support, and performance of RTX advanced technologies and new products and services and the realization of the anticipated benefits (including our expected returns under customer contracts), as well as the challenges of operating in RTX’s highly- competitive industries; (4) risks relating to RTX’s reliance on U.S. and non-U.S. suppliers and commodity markets, including the effect of sanctions, delays and disruptions in the delivery of materials and services to RTX or its suppliers and price increases; (5) risks relating to RTX international operations from, among other things, changes in trade policies and implementation of sanctions, foreign currency fluctuations, economic conditions, political factors, sales methods, and U.S. or local government regulations; (6) the condition of the aerospace industry; (7) the ability of RTX to attract, train and retain qualified personnel and maintain its culture and high ethical standards, and the ability of our personnel to continue to operate our facilities and businesses around the world; (8) risks relating to developments in the coronavirus disease 2019 (COVID-19) pandemic and the impact on RTX's business, supply chain, operations and the industries in which it operates, including the decrease in global air travel, and significant business disruptions; (9) the scope, nature, timing and challenges of managing acquisitions, investments, divestitures and other transactions, including the realization of synergies and opportunities for growth and innovation, the assumption of liabilities and other risks and incurrence of related costs and expenses; (10) compliance with legal, environmental, regulatory and other requirements, including, among other things, export and import requirements such as the International Traffic in Arms Regulations and the Export Administration Regulations, anti-bribery and anticorruption requirements, such as the Foreign Corrupt Practices Act, industrial cooperation agreement obligations, and procurement and other regulations in the U.S. and other countries in which RTX and its businesses operate; (11) the outcome of pending, threatened and future legal proceedings, investigations and other contingencies, including those related to U.S. government audits and disputes; (12) factors that could impact RTX's ability to engage in desirable capital-raising or strategic transactions, including its capital structure, levels of indebtedness, capital expenditures and research and development spending, and the availability of credit, credit market conditions including the cost of debt, and other factors; (13) uncertainties associated with the timing and scope of future repurchases by RTX of its common stock or declarations of cash dividends, which may be discontinued, accelerated, suspended or delayed at any time due to various factors, including market conditions and the level of other investing activities and uses of cash; (14) risks relating to realizing expected benefits from, incurring costs for, and successfully managing, the Company's segment realignment effective July 1, 2023, the merger, and other RTX strategic initiatives such as cost reduction, restructuring, digital transformation and other operational initiatives; (15) risks of additional tax exposures due to new tax legislation or other developments, in the U.S. and other countries in which RTX and its businesses operate; (16) risks relating to addressing the identified rare condition in powdered metal used to manufacture certain Pratt & Whitney engine parts that will require accelerated removals and inspections of a significant portion of the PW1100G-JM fleet, including the timing and costs relating thereto, as well as issues that could impact RTX product performance, including quality, reliability or durability (17) risks relating to a RTX product safety failure or other failure affecting RTX's or its customers' or suppliers' products or systems; (18) risks relating to cyber-attacks on RTX's information technology infrastructure, products, suppliers, customers and partners, threats to RTX facilities and personnel, as well as other events outside of RTX's control such as public health crises, damaging weather or other acts of nature; (19) the effect of changes in accounting estimates for our programs on our financial results; (20) the effect of changes in pension and other postretirement plan estimates and assumptions and contributions; (21) risks relating to an impairment of goodwill and other intangible assets; (22) the effects of climate change and changing climate-related regulations, customer and market demands, products and technologies; and (23) the intended qualification of (i) the merger as a tax-free reorganization and (ii) the separation transactions and other internal restructurings as tax-free to UTC and former UTC shareowners, in each case, for U.S. federal income tax purposes. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see the reports of RTX, UTC and Raytheon on Forms S-4, 10-K, 10-Q and 8-K filed with or furnished to the Securities and Exchange Commission from time to time. Any forward-looking statement speaks only as of the date on which it is made, and RTX assumes no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

RTX Corporation
Condensed Consolidated Statement of Operations

(dollars in millions, except per share amounts; shares in millions)	Quarter Ended June 30, (Unaudited) 2023	Quarter Ended June 30, (Unaudited) 2022	Six Months Ended June 30, (Unaudited) 2023	Six Months Ended June 30, (Unaudited) 2022
Net Sales	$ 18,315	$ 16,314	$ 35,529	$ 32,030
Costs and Expenses:				
Cost of sales	14,518	12,856	28,163	25,416
Research and development	729	698	1,336	1,333
Selling, general and administrative	1,635	1,424	3,033	2,893
Total Costs and Expenses	16,882	14,978	32,532	29,642
Other income, net	25	17	113	45
Operating profit	1,458	1,353	3,110	2,433
Non-service pension income	(447)	(474)	(891)	(954)
Interest expense, net	333	329	648	647
Income from continuing operations before income taxes	1,572	1,498	3,353	2,740
Income tax expense	213	160	513	276
Net income from continuing operations	1,359	1,338	2,840	2,464
Less: Noncontrolling interest in subsidiaries' earnings from continuing operations	32	34	87	57
Net income from continuing operations attributable to common shareowners	1,327	1,304	2,753	2,407
Loss from discontinued operations attributable to common shareowners	—	—	—	(19)
Net income attributable to common shareowners	$ 1,327	$ 1,304	$ 2,753	$ 2,388
Earnings (loss) Per Share attributable to common shareowners - Basic:				
Income from continuing operations	$ 0.91	$ 0.88	$ 1.89	$ 1.62
Loss from discontinued operations	—	—	—	(0.01)
Net income attributable to common shareowners	$ 0.91	$ 0.88	$ 1.89	$ 1.61
Earnings (loss) Per Share attributable to common shareowners - Diluted:				
Income from continuing operations	$ 0.90	$ 0.88	$ 1.87	$ 1.61
Loss from discontinued operations	—	—	—	(0.01)
Net income attributable to common shareowners	$ 0.90	$ 0.88	$ 1.87	$ 1.60
Weighted Average Shares Outstanding:				
Basic shares	1,457.5	1,479.2	1,459.9	1,482.9
Diluted shares	1,468.7	1,489.6	1,471.5	1,493.7

RTX Corporation
Segment Net Sales and Operating Profit

	Quarter Ended (Unaudited)				Six Months Ended (Unaudited)			
	June 30, 2023		June 30, 2022		June 30, 2023		June 30, 2022	
(dollars in millions)	Reported	Adjusted	Reported	Adjusted	Reported	Adjusted	Reported	Adjusted
Net Sales								
Collins Aerospace	$ 5,850	$ 5,850	$ 5,011	$ 5,011	$ 11,431	$ 11,431	$ 9,835	$ 9,835
Pratt & Whitney	5,701	5,701	4,969	4,969	10,931	10,931	9,498	9,498
Raytheon Intelligence & Space	3,655	3,655	3,570	3,570	7,220	7,220	7,142	7,142
Raytheon Missiles & Defense	4,000	4,000	3,558	3,558	7,671	7,671	7,085	7,085
Total segments	19,206	19,206	17,108	17,108	37,253	37,253	33,560	33,560
Eliminations and other	(891)	(891)	(794)	(794)	(1,724)	(1,724)	(1,530)	(1,530)
Consolidated	$ 18,315	$ 18,315	$ 16,314	$ 16,314	$ 35,529	$ 35,529	$ 32,030	$ 32,030
Operating Profit								
Collins Aerospace	$ 821	$ 837	$ 546	$ 617	$ 1,615	$ 1,637	$ 986	$ 1,201
Pratt & Whitney	230	436	302	303	645	870	453	611
Raytheon Intelligence & Space	291	297	315	315	615	627	693	693
Raytheon Missiles & Defense	415	427	348	348	743	762	735	735
Total segments	1,757	1,997	1,511	1,583	3,618	3,896	2,867	3,240
Eliminations and other	(60)	(70)	(47)	(47)	(47)	(125)	(81)	(87)
Corporate expenses and other unallocated items	(59)	(28)	(42)	(33)	(102)	(68)	(178)	(130)
FAS/CAS operating adjustment	309	309	379	379	623	623	757	757
Acquisition accounting adjustments	(489)	—	(448)	—	(982)	—	(932)	—
Consolidated	$ 1,458	$ 2,208	$ 1,353	$ 1,882	$ 3,110	$ 4,326	$ 2,433	$ 3,780
Segment Operating Profit Margin								
Collins Aerospace	14.0 %	14.3 %	10.9 %	12.3 %	14.1 %	14.3 %	10.0 %	12.2 %
Pratt & Whitney	4.0 %	7.6 %	6.1 %	6.1 %	5.9 %	8.0 %	4.8 %	6.4 %
Raytheon Intelligence & Space	8.0 %	8.1 %	8.8 %	8.8 %	8.5 %	8.7 %	9.7 %	9.7 %
Raytheon Missiles & Defense	10.4 %	10.7 %	9.8 %	9.8 %	9.7 %	9.9 %	10.4 %	10.4 %
Total segment	9.1 %	10.4 %	8.8 %	9.3 %	9.7 %	10.5 %	8.5 %	9.7 %

RTX Corporation
Condensed Consolidated Balance Sheet

(dollars in millions)	June 30, 2023 (Unaudited)	December 31, 2022 (Unaudited)
Assets		
Cash and cash equivalents	$ 5,391	$ 6,220
Accounts receivable, net	9,903	9,108
Contract assets	12,970	11,534
Inventory, net	11,997	10,617
Other assets, current	5,654	4,964
Total current assets	45,915	42,443
Customer financing assets	2,457	2,603
Fixed assets, net	15,295	15,170
Operating lease right-of-use assets	1,812	1,829
Goodwill	54,122	53,840
Intangible assets, net	36,234	36,823
Other assets	6,326	6,156
Total assets	$ 162,161	$ 158,864
Liabilities, Redeemable Noncontrolling Interest and Equity		
Short-term borrowings	$ 1,076	$ 625
Accounts payable	10,128	9,896
Accrued employee compensation	2,121	2,401
Other accrued liabilities	11,719	10,999
Contract liabilities	15,162	14,598
Long-term debt currently due	1,554	595
Total current liabilities	41,760	39,114
Long-term debt	32,723	30,694
Operating lease liabilities, non-current	1,570	1,586
Future pension and postretirement benefit obligations	4,579	4,807
Other long-term liabilities	7,442	8,449
Total liabilities	88,074	84,650
Redeemable noncontrolling interest	31	36
Shareowners' Equity:		
Common stock	38,206	37,911
Treasury stock	(16,713)	(15,530)
Retained earnings	52,489	52,269
Accumulated other comprehensive loss	(1,502)	(2,018)
Total shareowners' equity	72,480	72,632
Noncontrolling interest	1,576	1,546
Total equity	74,056	74,178
Total liabilities, redeemable noncontrolling interest and equity	$ 162,161	$ 158,864

RTX Corporation
Condensed Consolidated Statement of Cash Flows

(dollars in millions)	Quarter Ended June 30, (Unaudited) 2023	Quarter Ended June 30, (Unaudited) 2022	Six Months Ended June 30, (Unaudited) 2023	Six Months Ended June 30, (Unaudited) 2022
Operating Activities:				
Net income from continuing operations	$ 1,359	$ 1,338	$ 2,840	$ 2,464
Adjustments to reconcile net income from continuing operations to net cash flows provided by (used in) operating activities:				
Depreciation and amortization	1,044	999	2,078	2,013
Deferred income tax benefit	(371)	(546)	(700)	(1,147)
Stock compensation cost	112	109	212	212
Net periodic pension and other postretirement income	(390)	(354)	(778)	(714)
Change in:				
Accounts receivable	263	(1,346)	(699)	(790)
Contract assets	(232)	(306)	(1,430)	(525)
Inventory	(602)	(446)	(1,322)	(1,033)
Other current assets	(108)	(72)	(634)	(353)
Accounts payable and accrued liabilities	(639)	2,425	(149)	2,109
Contract liabilities	32	(259)	255	(309)
Other operating activities, net	251	(256)	183	(165)
Net cash flows provided by (used in) operating activities from continuing operations	719	1,286	(144)	1,762
Investing Activities:				
Capital expenditures	(526)	(479)	(1,046)	(918)
Dispositions of businesses, net of cash transferred	—	53	—	88
Customer financing assets receipts (payments), net	14	12	42	(7)
Increase in other intangible assets	(160)	(103)	(314)	(185)
Receipts (payments) from settlements of derivative contracts, net	58	(118)	45	(151)
Other investing activities, net	(9)	17	71	37
Net cash flows used in investing activities from continuing operations	(623)	(618)	(1,202)	(1,136)
Financing Activities:				
Issuance of long-term debt	3	—	2,974	—
Repayment of long-term debt	(3)	(2)	(3)	(2)
Change in commercial paper, net	897	—	470	—
Change in other short-term borrowings, net	(46)	(23)	(24)	(17)
Dividends paid on common stock	(844)	(798)	(1,634)	(1,543)
Repurchase of common stock	(596)	(1,036)	(1,158)	(1,779)
Other financing activities, net	(39)	(23)	(157)	(286)
Net cash flows (used in) provided by financing activities from continuing operations	(628)	(1,882)	468	(3,627)
Effect of foreign exchange rate changes on cash and cash equivalents from continuing operations	18	(35)	19	(20)
Net decrease in cash, cash equivalents and restricted cash	(514)	(1,249)	(859)	(3,021)
Cash, cash equivalents and restricted cash, beginning of period	5,946	6,081	6,291	7,853
Cash, cash equivalents and restricted cash, end of period	5,432	4,832	5,432	4,832
Less: Restricted cash, included in Other assets, current and Other assets	41	65	41	65
Cash and cash equivalents, end of period	$ 5,391	$ 4,767	$ 5,391	$ 4,767

RTX Corporation
Reconciliation of Adjusted (Non-GAAP) Results
Adjusted Sales, Adjusted Operating Profit & Operating Profit Margin

(dollars in millions - Income (Expense))	Quarter Ended June 30, (Unaudited) 2023	Quarter Ended June 30, (Unaudited) 2022	Six Months Ended June 30, (Unaudited) 2023	Six Months Ended June 30, (Unaudited) 2022
Collins Aerospace				
Net sales	$ 5,850	$ 5,011	$ 11,431	$ 9,835
Operating profit	$ 821	$ 546	$ 1,615	$ 986
Restructuring	(5)	(2)	(8)	(5)
Segment and portfolio transformation costs	(11)	—	(14)	—
Impairment charges and reserve adjustments related to Russia sanctions [2]	—	—	—	(141)
Charges associated with disposition of businesses	—	(69)	—	(69)
Adjusted operating profit	$ 837	$ 617	$ 1,637	$ 1,201
Adjusted operating profit margin	14.3 %	12.3 %	14.3 %	12.2 %
Pratt & Whitney				
Net sales	$ 5,701	$ 4,969	$ 10,931	$ 9,498
Operating profit	$ 230	$ 302	$ 645	$ 453
Restructuring	(25)	(1)	(44)	(3)
Impairment charges and reserve adjustments related to Russia sanctions [2]	—	—	—	(155)
Charges related to a customer insolvency [1]	(181)	—	(181)	—
Adjusted operating profit	$ 436	$ 303	$ 870	$ 611
Adjusted operating profit margin	7.6 %	6.1 %	8.0 %	6.4 %
Raytheon Intelligence & Space				
Net sales	$ 3,655	$ 3,570	$ 7,220	$ 7,142
Operating profit	$ 291	$ 315	$ 615	$ 693
Restructuring	(5)	—	(5)	—
Segment and portfolio transformation costs	(1)	—	(7)	—
Adjusted operating profit	$ 297	$ 315	$ 627	$ 693
Adjusted operating profit margin	8.1 %	8.8 %	8.7 %	9.7 %
Raytheon Missiles & Defense				
Net sales	$ 4,000	$ 3,558	$ 7,671	$ 7,085
Operating profit	$ 415	$ 348	$ 743	$ 735
Restructuring	(12)	—	(19)	—
Adjusted operating profit	$ 427	$ 348	$ 762	$ 735
Adjusted operating profit margin	10.7 %	9.8 %	9.9 %	10.4 %
Eliminations and Other				
Net sales	$ (891)	$ (794)	$ (1,724)	$ (1,530)
Operating profit (loss)	$ (60)	$ (47)	$ (47)	$ (81)
Gain on sale of land	—	—	68	—
Charges related to a customer insolvency [1]	10	—	10	—
Impairment charges and reserve adjustments related to Russia sanctions [2]	—	—	—	6
Adjusted operating loss	$ (70)	$ (47)	$ (125)	$ (87)
Corporate expenses and other unallocated items				
Operating loss	$ (59)	$ (42)	$ (102)	$ (178)
Restructuring	(21)	(9)	(22)	(48)
Segment and portfolio transformation costs	(10)	—	(12)	—
Adjusted operating loss	$ (28)	$ (33)	$ (68)	$ (130)
FAS/CAS Operating Adjustment				
Operating profit	$ 309	$ 379	$ 623	$ 757

Acquisition Accounting Adjustments								
Operating loss	$	(489)	$	(448)	$	(982)	$	(932)
Acquisition accounting adjustments		(489)		(448)		(982)		(932)
Adjusted operating profit	$	—	$	—	$	—	$	—
RTX Consolidated								
Net sales	$	18,315	$	16,314	$	35,529	$	32,030
Operating profit	$	1,458	$	1,353	$	3,110	$	2,433
Restructuring		(68)		(12)		(98)		(56)
Acquisition accounting adjustments		(489)		(448)		(982)		(932)
Total net significant and/or non-recurring items included in Operating profit above		(193)		(69)		(136)		(359)
Adjusted operating profit	$	2,208	$	1,882	$	4,326	$	3,780

(1) Total net significant and/or non-recurring items in the table above for the quarter and six months ended June 30, 2023 includes a net pre-tax charge of $0.2 billion related to a customer insolvency during the second quarter of 2023. The charge primarily relates to Contract assets and Customer financing assets exposures with the customer. Management has determined that the nature and significance of the charge is considered unusual and, therefore not indicative of the Company’s ongoing operational performance.

(2) Total net significant and/or non-recurring items in the table above for the six months ended June 30, 2022 includes a net pre-tax charge of $0.3 billion related to the impact of the sanctions imposed upon Russia in response to the Russia-Ukraine conflict, primarily consisting of charges related to increased estimates for credit losses on both our accounts receivables and contract assets, inventory reserves, impairment of customer financing assets for products under lease and contract fulfillment costs, and recognition of supplier obligations. Management has determined that these items are directly attributable to the sanctions, incremental to similar costs (or income) incurred for reasons other than the sanctions and not expected to recur, and therefore, not indicative of the Company’s ongoing operational performance.

RTX Corporation
Reconciliation of Adjusted (Non-GAAP) Results
Adjusted Income from Continuing Operations, Earnings Per Share, and Effective Tax Rate

	Quarter Ended June 30, (Unaudited)		Six Months Ended June 30, (Unaudited)	
(dollars in millions - Income (Expense))	**2023**	**2022**	**2023**	**2022**
Income from continuing operations attributable to common shareowners	**$ 1,327**	**$ 1,304**	**$ 2,753**	**$ 2,407**
Total Restructuring	(68)	(12)	(98)	(56)
Total Acquisition accounting adjustments	(489)	(448)	(982)	(932)
Total net significant and/or non-recurring items included in Operating profit	(193)	(69)	(136)	(359)
Significant and/or non-recurring items included in Non-service Pension Income				
Non-service pension restructuring	—	—	(2)	5
Tax effect of restructuring and net significant and/or non-recurring items above	165	111	266	293
Significant and/or non-recurring items included in Noncontrolling Interest				
Noncontrolling interest share of customer insolvency charges	17	—	17	—
Noncontrolling interest share of certain Russia sanction charges	—	—	—	11
Less: Impact on net income attributable to common shareowners	**(568)**	**(418)**	**(935)**	**(1,038)**
Adjusted income from continuing operations attributable to common shareowners	**$ 1,895**	**$ 1,722**	**$ 3,688**	**$ 3,445**
Diluted Earnings Per Share	**$ 0.90**	**$ 0.88**	**$ 1.87**	**$ 1.61**
Impact on Diluted Earnings Per Share	(0.39)	(0.28)	(0.64)	(0.70)
Adjusted Diluted Earnings Per Share	**$ 1.29**	**$ 1.16**	**$ 2.51**	**$ 2.31**
Effective Tax Rate	**13.5 %**	**10.7 %**	**15.3 %**	**10.1 %**
Impact on Effective Tax Rate	(2.8) %	(2.7) %	(1.7) %	(3.8) %
Adjusted Effective Tax Rate	**16.3 %**	**13.4 %**	**17.0 %**	**13.9 %**

RTX Corporation
Reconciliation of Adjusted (Non-GAAP) Results
Segment Operating Profit Margin and Adjusted Segment Operating Profit Margin

	Quarter Ended June 30, (Unaudited)		Six Months Ended June 30, (Unaudited)	
(dollars in millions - Income (Expense))	**2023**	**2022**	**2023**	**2022**
Net Sales	$ 18,315	$ 16,314	$ 35,529	$ 32,030
Reconciliation to segment net sales:				
Eliminations and other	891	794	1,724	1,530
Segment Net Sales	$ 19,206	$ 17,108	$ 37,253	$ 33,560
Operating Profit	$ 1,458	$ 1,353	$ 3,110	$ 2,433
Operating Profit Margin	8.0 %	8.3 %	8.8 %	7.6 %
Reconciliation to segment operating profit:				
Eliminations and other	60	47	47	81
Corporate expenses and other unallocated items	59	42	102	178
FAS/CAS operating adjustment	(309)	(379)	(623)	(757)
Acquisition accounting adjustments	489	448	982	932
Segment Operating Profit	$ 1,757	$ 1,511	$ 3,618	$ 2,867
Segment Operating Profit Margin	9.1 %	8.8 %	9.7 %	8.5 %
Reconciliation to adjusted segment operating profit:				
Restructuring	(47)	(3)	(76)	(8)
Net significant and/or non-recurring items	(193)	(69)	(202)	(365)
Adjusted Segment Operating Profit	$ 1,997	$ 1,583	$ 3,896	$ 3,240
Adjusted Segment Operating Profit Margin	10.4 %	9.3 %	10.5 %	9.7 %

RTX Corporation
Free Cash Flow Reconciliation

(dollars in millions)	Quarter Ended June 30, (Unaudited) 2023	2022
Net cash flows provided by operating activities from continuing operations	$ 719	$ 1,286
Capital expenditures	(526)	(479)
Free cash flow	$ 193	$ 807

(dollars in millions)	Six Months Ended June 30, (Unaudited) 2023	2022
Net cash flows (used in) provided by operating activities from continuing operations	$ (144)	$ 1,762
Capital expenditures	(1,046)	(918)
Free cash flow	$ (1,190)	$ 844

RTX Corporation - Unaudited Historical Financial Information

Effective July 1, 2023, the RTX Corporation ("RTX" or "the Company") streamlined the structure of its core businesses into three principal business segments: Collins Aerospace, Pratt & Whitney, and Raytheon. RTX did not operate under this segment structure for segment reporting purposes or use this measure of segment operating performance in the three months ended June 30, 2023 or prior periods and will begin to report comparative results under this basis with the filing of its Quarterly Report on Form 10-Q for the quarter and nine months ending September 30, 2023. Until RTX's interim financial statements as of and for the quarter and nine months ending September 30, 2023 are issued, amounts on the updated basis are not in accordance with accounting principles generally accepted in the United States ("GAAP") and, as a result, are considered non-GAAP measures.

Use and Definitions of Non-GAAP Financial Measures

The Company reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP").

We supplement the reporting of our financial information determined under GAAP with certain non-GAAP financial information. The non-GAAP information presented provides investors with additional useful information, but should not be considered in isolation or as substitutes for the related GAAP measures. Moreover, other companies may define non-GAAP measures differently, which limits the usefulness of these measures for comparisons with such other companies. We encourage investors to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

Adjusted net sales, organic sales, adjusted operating profit (loss) and margin, adjusted segment operating profit (loss) and margin, adjusted net income, adjusted earnings per share ("EPS"), and free cash flow are non-GAAP financial measures. Adjusted net sales represents consolidated net sales (a GAAP measure), excluding significant nonoperational items and/or significant operational items that may occur at irregular intervals (hereinafter referred to as "net significant and/or non-recurring items"). Organic sales represents the change in consolidated net sales (a GAAP measure), excluding the impact of foreign currency translation, acquisitions and divestitures completed in the preceding twelve months and net significant and/or non-recurring items. Adjusted operating profit (loss) represents operating profit (loss) (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. Adjusted operating profit margin represents adjusted operating profit (loss) as a percentage of adjusted net sales. Adjusted segment operating profit (loss) represents the combined operating profit (loss) (a GAAP measure) of our business segments, excluding restructuring costs, and net significant and/or non-recurring items. Adjusted segment operating profit margin represents adjusted segment operating profit (loss) as a percentage of adjusted segment sales (the combined adjusted sales of our business segments). Acquisition accounting adjustments include the amortization of acquired intangible assets related to acquisitions, the amortization of the property, plant and equipment fair value adjustment acquired through acquisitions, the amortization of customer contractual obligations related to loss making or below market contracts acquired, and goodwill impairment.

Adjusted net income represents net income from continuing operations (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. Adjusted

EPS represents diluted earnings per share from continuing operations (a GAAP measure), excluding restructuring costs, acquisition accounting adjustments and net significant and/or non-recurring items. For the business segments, when applicable, adjustments of net sales similarly reflect continuing operations (a GAAP measure) excluding net significant and/or non-recurring items. Organic sales for the business segments similarly excludes the impact of foreign currency, acquisitions and divestitures, and net significant and/or non-recurring items, and adjustments of operating profit (loss) and operating profit margins (also referred to as return on sales ("ROS")) similarly reflect continuing operations, excluding restructuring, acquisition accounting adjustments and net significant and/or non-recurring items.

Free cash flow is a non-GAAP financial measure that represents cash flow from operations (a GAAP measure) less capital expenditures. Management believes free cash flow is a useful measure of liquidity and an additional basis for assessing RTX's ability to fund its activities, including the financing of acquisitions, debt service, repurchases of RTX's common stock and distribution of earnings to shareowners.

A reconciliation of the non-GAAP measures to the corresponding amounts prepared in accordance with GAAP appears in the tables below. The tables provide additional information as to the items and amounts that have been excluded from the adjusted measures.

When we provide our expectation for adjusted net sales, organic sales, adjusted operating profit (loss) and margin, adjusted segment operating profit margin, adjusted EPS and free cash flow on a forward-looking basis, a reconciliation of the differences between the non-GAAP expectations and the corresponding GAAP measures, as described above, generally is not available without unreasonable effort due to potentially high variability, complexity, and low visibility as to the items that would be excluded from the GAAP measure in the relevant future period, such as unusual gains and losses, the ultimate outcome of pending litigation, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures, and other structural changes or their probable significance. The variability of the excluded items may have a significant, and potentially unpredictable, impact on our future GAAP results.

RTX Corporation
Reconciliation of Recasted (Non-GAAP) and Adjusted as Recasted (Non-GAAP) Results
Adjusted Sales as Recasted, Adjusted Operating Profit as Recasted & Operating Profit Margin as Recasted

	Quarter Ended (Unaudited)		Quarter Ended (Unaudited)			
(dollars in millions - Income (Expense))	**Mar 31, 2023**	**Jun 30, 2023**	**Mar 31, 2022**	**Jun 30, 2022**	**Sept 30, 2022**	**Dec 31, 2022**
Collins Aerospace						
Net sales	$ 5,581	$ 5,850	$ 4,824	$ 5,011	$ 5,100	$ 5,662
Segment Realignment [1]	539	534	652	616	618	569
Net sales - as Recasted	$ 6,120	$ 6,384	$ 5,476	$ 5,627	$ 5,718	$ 6,231
Operating profit	$ 794	$ 821	$ 440	$ 546	$ 616	$ 741
Segment Realignment [1]	100	75	125	114	123	103
State Tax realignment [2]	3	3	2	4	3	(1)
Operating Profit - as Recasted	897	899	567	664	742	843
Restructuring	(3)	(5)	(3)	(2)	(14)	(2)
Segment and portfolio transformation costs	(3)	(11)	—	—	—	—
Impairment charges and reserve adjustments related to Russia sanctions	—	—	(141)	—	—	—
Charges associated with disposition of businesses	—	—	—	(69)	—	—
Adjusted operating profit - as Recasted	$ 903	$ 915	$ 711	$ 735	$ 756	$ 845
Operating profit margin	14.2 %	14.0 %	9.1 %	10.9 %	12.1 %	13.1 %
Operating profit margin - as Recasted	14.7 %	14.1 %	10.4 %	11.8 %	13.0 %	13.5 %
Adjusted operating profit margin - as Recasted	14.8 %	14.3 %	13.0 %	13.1 %	13.2 %	13.6 %
Pratt & Whitney						
Net sales	$ 5,230	$ 5,701	$ 4,529	$ 4,969	$ 5,380	$ 5,652
Net sales - as Recasted	$ 5,230	$ 5,701	$ 4,529	$ 4,969	$ 5,380	$ 5,652
Operating profit	$ 415	$ 230	$ 151	$ 302	$ 316	$ 306
Operating Profit - as Recasted	415	230	151	302	316	306
Restructuring	(19)	(25)	(2)	(1)	(2)	(15)
Impairment charges and reserve adjustments related to Russia sanctions	—	—	(155)	—	—	—
Charges related to a customer insolvency	—	(181)	—	—	—	—
Adjusted operating profit - as Recasted	$ 434	$ 436	$ 308	$ 303	$ 318	$ 321
Operating profit margin	7.9 %	4.0 %	3.3 %	6.1 %	5.9 %	5.4 %
Adjusted operating profit margin - as Recasted	8.3 %	7.6 %	6.8 %	6.1 %	5.9 %	5.7 %
Raytheon						
Net sales	$ —	$ —	$ —	$ —	$ —	$ —
Segment Realignment [1]	6,292	6,700	6,074	6,133	6,308	6,661
Net sales - as Recasted	$ 6,292	$ 6,700	$ 6,074	$ 6,133	$ 6,308	$ 6,661
Operating profit	$ —	$ —	$ —	$ —	$ —	$ —
Segment Realignment [1]	539	612	635	545	649	537
State Tax realignment [2]	32	32	20	34	37	(9)
Operating Profit - as Recasted	571	644	655	579	686	528
Restructuring	(7)	(17)	—	—	(8)	—
Segment and portfolio transformation costs	(6)	(1)	—	—	—	—
Charges associated with divestiture of a non-core business	—	—	—	—	—	(42)
Adjusted operating profit - as Recasted	$ 584	$ 662	$ 655	$ 579	$ 694	$ 570
Operating profit margin	— %	— %	— %	— %	— %	— %
Operating profit margin - as Recasted	9.1 %	9.6 %	10.8 %	9.4 %	10.9 %	7.9 %
Adjusted operating profit margin - as Recasted	9.3 %	9.9 %	10.8 %	9.4 %	11.0 %	8.6 %
Raytheon Intelligence & Space						
Net sales	$ 3,565	$ 3,655	$ 3,572	$ 3,570	$ 3,626	$ 3,544
Segment Realignment [1]	(3,565)	(3,655)	(3,572)	(3,570)	(3,626)	(3,544)
Net sales - as Recasted	$ —	$ —	$ —	$ —	$ —	$ —
Operating profit	$ 324	$ 291	$ 378	$ 315	$ 371	$ 278
Segment realignment [1]	(324)	(291)	(378)	(315)	(371)	(278)
Operating Profit - as Recasted	$ —	$ —	$ —	$ —	$ —	$ —
Operating profit margin	9.1 %	8.0 %	10.6 %	8.8 %	10.2 %	7.8 %

Raytheon Missiles & Defense						
Net sales	$ 3,671	$ 4,000	$ 3,527	$ 3,558	$ 3,678	$ 4,100
Segment Realignment (1)	(3,671)	(4,000)	(3,527)	(3,558)	(3,678)	(4,100)
Net sales - as Recasted	$ —	$ —	$ —	$ —	$ —	$ —
Operating profit	$ 328	$ 415	$ 387	$ 348	$ 408	$ 376
Segment realignment (1)	(328)	(415)	(387)	(348)	(408)	(376)
Operating Profit - as Recasted	$ —	$ —	$ —	$ —	$ —	$ —
Operating profit margin	8.9 %	10.4 %	11.0 %	9.8 %	11.1 %	9.2 %
Eliminations and Other						
Net sales	$ (833)	$ (891)	$ (736)	$ (794)	$ (833)	$ (865)
Segment Realignment (1)	405	421	373	379	378	414
Net sales - as Recasted	$ (428)	$ (470)	$ (363)	$ (415)	$ (455)	$ (451)
Operating profit	$ 13	$ (60)	$ (34)	$ (47)	$ (50)	$ (43)
Segment Realignment (1)	38	44	35	34	37	45
Operating Profit - as Recasted	51	(16)	1	(13)	(13)	2
Gain on sale of land	68	—	—	—	—	—
Charges related to a customer insolvency	—	10	—	—	—	—
Impairment charges and reserve adjustments related to Russia sanctions	—	—	6	—	—	—
Adjusted operating profit - as Recasted	$ (17)	$ (26)	$ (5)	$ (13)	$ (13)	$ 2
Corporate expenses and other unallocated items						
Operating profit	$ (43)	$ (59)	$ (136)	$ (42)	$ (77)	$ (63)
Operating Profit - as Recasted	(43)	(59)	(136)	(42)	(77)	(63)
Restructuring	(1)	(21)	(39)	(9)	—	(18)
Segment and portfolio transformation costs	(2)	(10)	—	—	—	—
Adjusted operating loss - as Recasted	$ (40)	$ (28)	$ (97)	$ (33)	$ (77)	$ (45)
FAS/CAS Operating Adjustment						
Operating profit	$ 314	$ 309	$ 378	$ 379	$ 378	$ 385
Segment Realignment (1)	(25)	(25)	(30)	(30)	(30)	(31)
Operating Profit - as Recasted	$ 289	$ 284	$ 348	$ 349	$ 348	$ 354
Acquisition Accounting Adjustments						
Operating loss	$ (493)	$ (489)	$ (484)	$ (448)	$ (482)	$ (479)
Acquisition accounting adjustments	(493)	(489)	(484)	(448)	(482)	(479)
Adjusted operating profit - as Recasted	$ —	$ —	$ —	$ —	$ —	$ —
RTX Consolidated						
Net sales	$ 17,214	$ 18,315	$ 15,716	$ 16,314	$ 16,951	$ 18,093
Net sales - as Recasted	$ 17,214	$ 18,315	$ 15,716	$ 16,314	$ 16,951	$ 18,093
Operating profit	$ 1,652	$ 1,458	$ 1,080	$ 1,353	$ 1,480	$ 1,501
State Tax realignment (2)	35	35	22	38	40	(10)
Operating Profit - as Recasted	1,687	1,493	1,102	1,391	1,520	1,491
Restructuring	(30)	(68)	(44)	(12)	(24)	(35)
Acquisition accounting adjustments	(493)	(489)	(484)	(448)	(482)	(479)
Total net significant and/or non-recurring items included in Operating profit above	57	(193)	(290)	(69)	—	(42)
Adjusted operating profit - as Recasted	$ 2,153	$ 2,243	$ 1,920	$ 1,920	$ 2,026	$ 2,047

(1) Effective July 1, 2023 we streamlined the structure of our core businesses into three principal business segments: Collins Aerospace, Pratt & Whitney, and Raytheon. The segment realignment adjustments reclassify the prior period results to reflect the new business segment structure. The Company did not operate under the realigned segment structure for any of these prior periods.

(2) In conjunction with the segment realignment, the Company revised its accounting policy with respect to the financial statement presentation of state income taxes allocable to U.S. government contracts related to our RIS and RMD segments. Prior to July 1, 2023, these state income taxes were classified as Selling, general and administrative expenses. Effective with the segment change noted above, state income tax amounts previously reported within Selling, general and administrative expenses will be presented within Income tax expense. The adjustment reclassifies prior period results to reflect this change and is not considered material to the prior period results.

RTX Corporation
Summary of Segment Net Sales and Operating Profit - As Recasted (Non-GAAP)

<u>**Reported - as Recasted**</u>	**Quarter Ended** (Unaudited)		**Quarter Ended** (Unaudited)			
(dollars in millions)	**Mar 31, 2023**	**Jun 30, 2023**	**Mar 31, 2022**	**Jun 30, 2022**	**Sept 30, 2022**	**Dec 31, 2022**
Net Sales - as Recasted						
Collins Aerospace	$ 6,120	$ 6,384	$ 5,476	$ 5,627	$ 5,718	$ 6,231
Pratt & Whitney	5,230	5,701	4,529	4,969	5,380	5,652
Raytheon	6,292	6,700	6,074	6,133	6,308	6,661
Total segments	17,642	18,785	16,079	16,729	17,406	18,544
Eliminations and other	(428)	(470)	(363)	(415)	(455)	(451)
Consolidated	$ 17,214	$ 18,315	$ 15,716	$ 16,314	$ 16,951	$ 18,093
Operating Profit - as Recasted						
Collins Aerospace	$ 897	$ 899	$ 567	$ 664	$ 742	$ 843
Pratt & Whitney	415	230	151	302	316	306
Raytheon	571	644	655	579	686	528
Total segments	1,883	1,773	1,373	1,545	1,744	1,677
Eliminations and other	51	(16)	1	(13)	(13)	2
Corporate expenses and other unallocated items	(43)	(59)	(136)	(42)	(77)	(63)
FAS/CAS operating adjustment	289	284	348	349	348	354
Acquisition accounting adjustments	(493)	(489)	(484)	(448)	(482)	(479)
Consolidated	$ 1,687	$ 1,493	$ 1,102	$ 1,391	$ 1,520	$ 1,491
Segment Operating Profit Margin - as Recasted						
Collins Aerospace	14.7 %	14.1 %	10.4 %	11.8 %	13.0 %	13.5 %
Pratt & Whitney	7.9 %	4.0 %	3.3 %	6.1 %	5.9 %	5.4 %
Raytheon	9.1 %	9.6 %	10.8 %	9.4 %	10.9 %	7.9 %
Total segment	10.7 %	9.4 %	8.5 %	9.2 %	10.0 %	9.0 %

<u>**Adjusted - as Recasted**</u>	**Quarter Ended** (Unaudited)		**Quarter Ended** (Unaudited)			
(dollars in millions)	**Mar 31, 2023**	**Jun 30, 2023**	**Mar 31, 2022**	**Jun 30, 2022**	**Sept 30, 2022**	**Dec 31, 2022**
Net Sales - Adjusted as Recasted						
Collins Aerospace	$ 6,120	$ 6,384	$ 5,476	$ 5,627	$ 5,718	$ 6,231
Pratt & Whitney	5,230	5,701	4,529	4,969	5,380	5,652
Raytheon	6,292	6,700	6,074	6,133	6,308	6,661
Total segments	17,642	18,785	16,079	16,729	17,406	18,544
Eliminations and other	(428)	(470)	(363)	(415)	(455)	(451)
Consolidated	$ 17,214	$ 18,315	$ 15,716	$ 16,314	$ 16,951	$ 18,093
Operating Profit - Adjusted as Recasted						
Collins Aerospace	$ 903	$ 915	$ 711	$ 735	$ 756	$ 845
Pratt & Whitney	434	436	308	303	318	321
Raytheon	584	662	655	579	694	570
Total segments	1,921	2,013	1,674	1,617	1,768	1,736
Eliminations and other	(17)	(26)	(5)	(13)	(13)	2
Corporate expenses and other unallocated items	(40)	(28)	(97)	(33)	(77)	(45)
FAS/CAS operating adjustment	289	284	348	349	348	354
Acquisition accounting adjustments	—	—	—	—	—	—
Consolidated	$ 2,153	$ 2,243	$ 1,920	$ 1,920	$ 2,026	$ 2,047
Segment Operating Profit Margin - Adjusted as Recasted						
Collins Aerospace	14.8 %	14.3 %	13.0 %	13.1 %	13.2 %	13.6 %
Pratt & Whitney	8.3 %	7.6 %	6.8 %	6.1 %	5.9 %	5.7 %
Raytheon	9.3 %	9.9 %	10.8 %	9.4 %	11.0 %	8.6 %
Total segment	10.9 %	10.7 %	10.4 %	9.7 %	10.2 %	9.4 %